

Message Text

CONFIDENTIAL

PAGE 01 QUITO 05812 01 OF 02 021651Z

43

ACTION ARA-20

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-11 L-03

NSAE-00 NSC-07 PA-04 RSC-01 PRS-01 SP-03 SS-20

USIA-15 IO-14 AID-20 ACDA-19 DRC-01 DLOS-07 COA-02

EB-11 COME-00 TRSE-00 AGR-20 AEC-11 SCI-06 /207 W

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R 311810Z AUG 74

FM AMEMBASSY QUITO

TO SECSTATE WASHDC 2327

INFO AMEMBASSY LIMA

AMCONSUL GUAYAQUIL

C O N F I D E N T I A L SECTION 1 OF 2 QUITO 5812

E.O. 11652: GDS

TAGS: PINT, PFOR, PLOS, MILI, ECON, ENRG, EC, CU

SUBJECT: PRESIDENT RODRIGUEZ LARA PRESS CONFERENCE, AUGUST 29

REF: QUITO 1126

1. SUMMARY: IN TWO-AND-ONE-QUARTER HOUR PRESS CONFERENCE AUGUST 29 PRESIDENT RODRIGUEZ LARA COVERED WIDE RANGE OF INTERNAL AND FOREIGN POLICY ISSUES. ON INTERNAL FRONT HE SAID THAT PRESENT GOVERNMENT DID NOT SEEK TO PERPETUATE ITSELF IN POWER INDEFINITELY BUT WITHOUT SPECIFYING WHEN TRANSITION TO OTHER FORM OF RULE MIGHT TAKE PLACE; HE LAID HEAVY STRESS ON FLAGGING AGRICULTURAL PRODUCTION AND NEED TO JACK IT UP; AND HE REJECTED INTIMATIONS OF IMPROPRIETY IN HIS PERSONAL CONDUCT BEFORE OR DURING HIS PRESIDENCY. IN FOREIGN AFFAIRS FIELD, RODRIGUEZ ASSERTED THAT ECUADOR WOULD PERSIST IN ITS DEFENSE OF 200-MILE TERRITORIAL SEA AND THAT ITS POSITION, RATHER THAN BEING ISOLATED, HAD GAINED SUPPORT AND BEEN AN ELEMENT OF COHESION AT CARACAS CONFERENCE. ON CUBA, RODRIGUEZ SAID THAT ECUADOR FAVORS RE-EXAMINATION OF SANCTIONS BY OAS CONSULTATIVE ORGAN AND BELIEVES THAT OAS SHOULD FREE EACH MEMBER

CONFIDENTIAL

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PAGE 02 QUITO 05812 01 OF 02 021651Z

NATION TO DECIDE ON ITS OWN WHETHER OR NOT TO RE-

ESTABLISH RELATIONS WITH THAT COUNTRY. END SUMMARY.

2. ECUADOREAN PRESIDENT GUILLERMO RODRIGUEZ LARA HELD TWO-AND-ONE-QUARTER HOUR PRESS CONFERENCE AUGUST 29 BEFORE A GROUP OF SOME 40 CORRESPONDENTS. IT WAS ONLY SECOND OCCASION ON WHICH RODRIGUEZ HAD HELD FULL-BLOWN MEETING WITH PRESS IN THE MORE THAN 30 MONTHS HE HAS HELD OFFICE. RODRIGUEZ COVERED A WIDE RANGE OF INTERNAL AND FOREIGN POLICY ISSUES.

3. ON THE INTERNAL FRONT, RODRIGUEZ SAID THAT THE GOE DID NOT INTEND TO PERPETUATE ITSELF IN POWER AND THAT ECUADOREAN YOUTH MUST PREPARE ITSELF FOR THE EVENTUALITY OF A CHANGE IN GOVERNMENT. HE ADDED, HOWEVER, THAT TIMING OF SUCH CHANGE COULD NOT NOW BE FORESEEN AND WOULD IN ANY EVENT HAVE TO AWAIT SUCH TIME AS PARTIES AND OTHER POLITICAL INSTITUTIONS HAD BEEN COMPLETELY OVERHAULED. IN THIS CONNECTION, RODRIGUEZ SAID THAT PRESENT POLITICAL PARTIES LACK SOLID STRUCTURE, DO NOT HAVE BROAD POPULAR FOLLOWING AND HAVE PURSUED OUTDATED POLICIES. RODRIGUEZ SAID THAT HIS GOVERNMENT ADVOCATED THE INSTITUTION AND FORMATION OF POLITICAL PARTIES WHICH WOULD BE TRULY REPRESENTATIVE AND WHICH COULD GUARANTEE THE CONTINUED PROGRESS OF THE COUNTRY.

4. RODRIGUEZ DEVOTED SUBSTANTIAL PART OF HIS REMARKS TO PROBLEMS OF DEVELOPMENT, ESPECIALLY AGRICULTURAL PRODUCTION. HE NOTED THAT GNP HAD GROWN 12.75 PERCENT IN 1973, EXCEEDING EARLIER EXPECTATIONS, BUT THAT AGRICULTURAL PRODUCTION HAD GROWN ONLY 1 PERCENT IN SAME PERIOD, THEREBY FAILING TO MEET 5 PERCENT GROWTH TARGET. RODRIGUEZ EMPHASIZED, AS HE DID IN HIS SECOND ANNIVERSARY SPEECH IN FEBRUARY (REFTEL), GOE'S OVERRIDING PRIORITY ON STIMULATING AGRICULTURAL PRODUCTIVITY. HE SAID GOE BUDGET HAD ALLOCATED SOME 6 BILLION SUCRES TO RURAL SECTOR (US \$240 MILLION) AND THAT NATIONAL DEVELOPMENT FUND HAD MADE AVAILABLE ADDITIONAL 4 BILLION SUCRES (US \$160 MILLION) FOR AGRICULTURAL CREDIT. HE HAILED THESE DEVELOPMENTS AS "HISTORICAL CHANGE" SINCE TODAY GOE IS TRYING TO RESTORE RESOURCES TO THE COUNTRY-
CONFIDENTIAL

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PAGE 03 QUITO 05812 01 OF 02 021651Z

SIDE WHEREAS PAST PATTERN HAD BEEN ONE OF SHIFTING RESOURCES TOWARDS URBAN CENTERS.

5. ON AGRARIAN REFORM, RODRIGUEZ SAID THE GOVERNMENT WAS DETERMINED TO CARRY IT THROUGH "BECAUSE IT IS AN IRREVERSIBLE PROCESS" AND THAT THE DRAFT IMPLEMENTING REGULATIONS FOR THE OCTOBER 1973 AGRARIAN REFORM LAW WOULD PROBABLY BE REVIEWED BY THE CABINET IN THE COMING

WEEKS.

6. RODRIGUEZ ALSO REVEALED THAT THE GOVERNMENT WAS CONSIDERING THE CREATION OF A TECHNOLOGICAL INSTITUTE WITH A VIEW TO ESTABLISHING ECUADOREAN "INDEPENDENCE" IN THIS FIELD. RODRIGUEZ SAID THAT THE TECHNOLOGICAL INSTITUTE WOULD, AMONG OTHER THINGS, BE CHARGED WITH THE STUDY OF PEACEFUL USES OF ATOMIC ENERGY AND THAT THOUGHT HAD EVEN BEEN GIVEN TO THE CONSTRUCTION OF AN ATOMIC REACTOR.

7. ON INFLATION, RODRIGUEZ COMMENTED THAT PRICES HAD STABILIZED DURING THE PAST THREE MONTHS AND HAD EVEN DECLINED IN CERTAIN INSTANCES.

8. ANSWERING ALLEGATIONS OF IMPROPER PERSONAL CONDUCT DURING HIS INCUMBENCY CIRCULATED BY VELASQUISTA POLITICIAN ALFONSO ARROYO ROBELLY (QUITO 5769), RODRIGUEZ EXPLAINED IN SOME DETAIL HOW HE HAD PURCHASED TWO SMALL AGRICULTURAL PLOTS NEAR SANTO DOMINGO DE LOS COLORADOS AND ASSURED HIS LISTENERS THAT WHEN IT CAME TO MATTERS OF PROPRIETY AND HONEST "THE PRESENT PRESIDENT OF THE REPUBLIC IS COMPLETELY INVULNERABLE, AS HE WAS DURING HIS PROFESSIONAL LIFE AND AS HE WILL CONTINUE TO BE IN THE FUTURE WHEN HE RETURNS TO THE LIFE OF A COMMON CITIZEN." RODRIGUEZ INVITED CORRESPONDENTS WHO WISHED TO DO SO TO EXAMINE THOROUGHLY ALL THE FACTS REGARDING HIS MODES PERSONAL WEALTH.

9. IN THE FIELD OF FOREIGN AFFIARS, RODRIGUEZ ASSERTED THAT THE CARACAS LAW OF THE SEA CONFERENCE HAD RESULTED IN A TRIUMPH FOR ECUADOR. EARLIER IT HAD BEEN SAID THAT THE COUNTRY WOULD BE ISOLATED
CONFIDENTIAL

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PAGE 04 QUITO 05812 01 OF 02 021651Z

IN ITS CLAIM TO A 200-MILE TERRITORIAL SEA.
QUITE TO THE CONTRARY, IT HAD TURNED OUT THAT ECUADOR HAD BEEN A COHESIVE FORCE WITH A NUMBER OF OTHER COUNTRIES ALSO COMING TO THE DEFENSE OF THE 200-MILE THESIS, "BE IT ON A BASIS OF TERRITORIAL SEA, PATRIMONIAL SEA, OR AN ECONOMIC ZONE."

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PAGE 01 QUITO 05812 02 OF 02 021656Z

43

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NSAE-00 NSC-07 PA-04 RSC-01 PRS-01 SP-03 SS-20

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C O N F I D E N T I A L FINAL SECTION OF 2 QUITO 5812

10. ON CUBA, RODRIGUEZ SAID THAT THE SITUATION HAD CHANGED SINCE THE ORIGINAL APPLICATION OF SANCTIONS. ECUADOR BELIEVED THAT THE CONSULTATIVE ORGAN OF THE OSA SHOULD LIFT THESE SANCTIONS AND FREE EACH MEMBER NATION TO DECIDE ON ITS OWN WHETHER OR NOT TO RE-ESTABLISH RELATIONS WITH THAT COUNTRY. RODRIGUEZ EMPHASIZED, HOWEVER, THAT ECUADOR HAS NO RPT NO INTENTION TO UNILATERALLY RE-ESTABLISH RELATIONS WITH CUBA BEFORE AN OAS DECISION AND THAT ECUADOR IS A FIRM SUPPORTER OF THE INTER-AMERICAN SYSTEM.

1. ON THE ANDEAN PACT, RODRIGUEZ AFFIRMED THAT ECUADOR IS CARRYING OUT ITS OBLIGATIONS UNDER DECISION 24 OF THE AGREEMENT AND HOPED THAT OTHER GOVERNMENTS WOULD DO THE SAME.

12. REGARDING THE ESTABLISHMENT OF A PETRO-CHEMICAL INDUSTRY, RODRIGUEZ SAID THAT UNTIL ECUADOR COMPLETES NECESSARY STUDIES, IT HAS NO INTENTION OF NEGOTIATING ALLOCATIONS OF THE SECTOR WITHIN THE ANDEAN GROUP.

13. FINALLY, ON THE ISSUE OF ARMS ACQUISITIONS,
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PAGE 02 QUITO 05812 02 OF 02 021656Z

RODRIGUEZ SAID THAT ECUADOR DOES NOT ADVOCATE A LATIN AMERICAN ARMS RACE, THAT IT BELIEVES IN THE PEACEFUL SOLUTION OF DISPUTES, THAT FORCE IS NOT A SOURCE OF

NATIONAL RIGHTS, AND THAT ECUADOR HAS NO AGGRESSIVE DESIGNS. NONETHELESS, HE ADDED, ECUADOR NEEDS THE MEANS TO GUARANTEE ITS INTERNAL AND EXTERNAL SECURITY-- SECURITY WHICH IS ESSENTIAL TO NATIONAL DEVELOPMENT. TO THIS END THE GOE HAS PLANS TO STRENGTHEN ITS DEFENSES, RODRIGUEZ ADDED THAT IN HIS VIEW THE ARMED FORCES WERE ALSO PLAYING A SIGNIFICANT ROLE IN THE SUPPORT OF SOCIO-ECONOMIC DEVELOPMENT OF THE COUNTRY, CITING AS EXAMPLES THE MILITARY'S ROLE IN VARIOUS INDUSTRIAL AND COMMERCIAL ENTERPRISES.

14. COMMENT: RODRIGUEZ' ALLUSION TO A DAY, NOT SPECIFIED, WHEN ARMED FORCES MIGHT RELINQUISH POWER, IS THE FIRST TIME HE HAS PUBLICLY DEVIATED FROM HIS STANDARD LINE THAT PRESENT GOE WAS IN "FOR THE DURATION." RODRIGUEZ NEVERTHELESS LEFT HIMSELF AND GOE PLENTY OF LEEWAY BY STATING THAT EVENTUAL TRANSITION COULD NOT COME UNTIL SUCH TIME AS THE POLITICAL FORCES OF THE COUNTRY WERE REORGANIZED IN SUCH A WAY AS TO ENSURE CONTINUED NATIONAL PROGRESS. RODRIGUEZ REMARK THAT GOE FAVORS FORMATION OF NEW POLITICAL PARTIES CAN BE TAKEN AS CONFIRMATION OF REPORTS FROM A COUPLE OF SOURCES THAT GOE IS CONSIDERING ESTABLISHMENT OF SUCH PARTIES, POSSIBLY ALONG BRAZILIAN LINES.

15. RODRIGUEZ' COMMENTS ON LOS MATTERS REFLECT OBVIOUS GOE SATISFACTION AT DEVELOPMENTS IN CARACAS THIS SUMMER, ALTHOUGH IT IS DIFFICULT TO SAY AT THIS STAGE WHETHER GOE WILL NOW BE ENCOURAGED TO HOLD OUT FOR A STRAIGHT 200-MILE TERRITORIAL SEA. WE ARE INCLINED TO DOUBT THIS AND NOTE THAT RODRIGUEZ LEFT THE DOOR SLIGHTLY AJAR, AS THE FOREIGN MINISTER HAS DONE IN THE PAST, BY REFERRING AT ONE POINT TO THE TERMS "TERRITORIAL SEA", "PATRIMONIAL SEA" AND ECONOMIC ZONE" INTERCHANGEABLY.

16. RODRIGUEZ' COMMENTS ON CUBA, ALTHOUGH A REAFFIRMATION OF WHAT HAS BEEN GOE POLICY ALL ALONG, ARE TIMELY AND, WE BELIEVE, CAN BE TAKEN AS A REASSURANCE THAT HTERE
CONFIDENTIAL

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PAGE 03 QUITO 05812 02 OF 02 021656Z

WILL BE NO RPT NO SURPRISES FROM ECUADOR ON THIS SCORE.

17 RODRIGUEZ' REMARKS ON GOE PLANS TO STRENGTHEN DEFENSES WERE AN OBVIOUS REFERENCE TO ARMS ACQUISITIONS FROM US, AND ELSEWHERE, THAT ARE IN THE MILL AND PROBABLY AN ATTEMPT TO DEFUSE INEVITABLE CHARGES OF WASTEFUL MILITARY SPENDING THAT WILL BE MADE WHEN THESE PURCHASES BECOM PUBLICLY KNOWN.

18. THE PRESIDENT'S PERFORMANCE FOLLOWS CLOSELY AN

AUGUST 26 ANNOUNCEMENT THAT RODRIGUEZ, AS PART OF
"A NEW POLICY TO FACILITATE CONTACT BETWEEN
THE CITIZENRY AND THE GOVERNMENT SECTOR", WOULD BE
MEETING THE PRESS REGULARLY ON THE LAST THURSDAY
OF EACH MONTH. IN ADDITION, THE ELEVEN MEMBERS OF
THE CABINET WILL BE HOLDING PRESS CONFERENCES ON A
WEEKLY BASIS. SOME OF THESE OFFICIALS, MOST NOTABLY
MINISTER OF GOVERNMENT POVEDA, HAVE BEEN FOLLOWING THIS
PRACTICE FOR SOME TIME.
BREWSTER

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